

# LESSONS LEARNED FROM WORKING WITH GROUPS

*Remarks of William Patrie, executive director  
Dakota Enterprise Center  
(A division of the North Dakota Association  
of Rural Electric Cooperatives)*

To:  
The Association of  
Cooperative Educators

*Hilton Hotel Old Town  
Alexandria, Virginia  
Aug. 4, 2005*

I have been anxious to get these comments in print and to you because I was afraid I would forget the lessons I have learned about groups. These lessons are hard to learn because every group is a living and dynamic organization. The association I have with each group I work with is under the pressure of time and money. Because of this pressure there is little time for group reflection and learning.

The beauty of talking with educators is that you have the slight shelter of the academy—you are expected to reflect, learn and teach. Because you have invited me to speak to you today you have forced me to reflect. I must confess that I have resented that intrusion into my adrenaline rush work style. So I created the preparation of this paper as a work-related crisis that just had to be done. I hope you find my comments as exciting as I found their preparation.

The first lesson I have learned is that groups of human beings behave in a biological manner. They are living, breathing mammals that have formed some type of herd. Somewhere in our education process we have become ashamed of being mammals and have decided that we would explain our group behavior in a cleaner, more antiseptic form. Recently writers, thinkers and scholars have expanded Adam Smith's idea of "enlightened self-interest" to a level that is now meant to explain all human behavior. The epitome of that extrapolation is Thomas Friedman's book "*The Lexus and the Olive Tree.*" Over time, according to this concept, human beings act in a rational manner based on their enlightened self-interest. Friedman shortens the process by defining self-interest as economic interest measured in money.

Enlightened economic self-interest would be a very good thing for co-op organizers like me. I could just get the feasibility study done, help create the business plan that details those individual benefits and people would join. They would join the cooperative and contribute exactly to their level of diminishing economic benefit. All of this cerebral cortex thinking would fit some type of logic model that would govern the behavior of the group. That, of course, is not what happens.

The first observable lesson from watching group behavior has to do with leadership selection. Much has been written about "servant leadership models." Peter Senge's book "*The Fifth Discipline*" is really helpful in understanding that model. "*From Good to Great*" by Jim Collins adds

another role of leadership, and that is in the selection of the followers. However, they both miss what happens in our groups.

In our groups, people are organizing around a central business proposition that on its surface looks like enlightened self-interest. Academics and some ag economists would talk about “marketplace failures.” It would follow that the group would select leaders who have the ability to lead the group in the formation of a business that can deliver an economic benefit. That may be the outcome but is not how leaders are selected.

In groups leaders are selected by “emotional intelligence.” Please read Daniel Goleman’s book *“Emotional Intelligence”* to get a deeper understanding of this phenomenon. Emotional intelligence comes from a part of the brain known as the amygdala. This section of the brain stores emotional memories and almost all of them are negative. This part of the brain accepts direct sensory input and creates physiological responses before thoughts are processed in the cortex. Since the amygdala stores emotional memories that are overwhelmingly negative, most responses are based on fear. Explained in leadership selection in a cooperative, the selected leader is the one who can best protect us from the evils that are to come. The leader will deal on the emotional level with one of two choices of action: Fight or flight. If the leader is in the fight mode, the best way to safety is to defeat the enemy. If the enemy is a multi-national grain company, then the cooperative strategy is to create our own company and market members’ grain at higher prices than the enemy would pay. The hope is that the enemy can’t hurt us then.

If the leader is in the flight mode, then consolidation, partnerships, supply chains or other strategies are in play. If we can’t beat this enemy, how can we accommodate them to make the hurt less? “How can we survive?” becomes the question, rather than “How can we win?”

In the 2004 vote for president the strongest correlation between personal characteristics and a vote for George Bush was the frequency of church attendance. Thomas Friedman must be sick. So much for enlightened self-interest as defined in economic terms. Those voting for Bush believed he would make them safer from the evils that they fear will harm them. Those evils lurking in stored emotional memories could be homosexuals, terrorists or immoral liberals wanting to give their money to lazy freeloaders on the welfare system.

I have two examples lest you think this emotional selection process couldn't happen in a small group like a cooperative. Both cooperatives selected leaders who promised to get a better price for the animals that members produced. In each case the followers continued to re-elect these leaders long after the cooperative quit paying members for their animals. Members continued to patronize the cooperative delivering animals on the promise and the hope of future payment when, based on perseverance, the cooperative would be profitable. In both cases it never happened. One cooperative has gone through bankruptcy, owing its members more than \$20 million. Members continued to support their cooperative even when being foreclosed on by the personal banker. The second cooperative has operated without paying its CEO for several years and has continued to roll up losses that can never be paid.

This is a bitter lesson to the cooperative developer who believes in rational business models. As cooperative educators you will need to read up on emotional hijacking by leaders in an organization. Again, be sure to read "*Emotional Intelligence*" by Daniel Goleman.

As cooperative developers we are just now discussing strategies on how to recognize, prevent or minimize the effect of irrational leadership based on emotions rather than member benefit.

The second lesson learned from watching groups is how members decide how much to cooperate. Much of the learning in this area is universal across groups and is not just cooperative behavior. John Stuart Mill, writing his essay "*On Liberty*," commented on the role of ideology and its practical application to daily living.

He wrote: "*To what an extent doctrines intrinsically fitted to make the deepest impression upon the mind may remain in it as dead beliefs, without being ever realized in the imagination, the feelings, or the understanding, is exemplified by the manner in which the majority of believers hold the doctrines of Christianity. By Christianity I mean what is accounted such by all churches and sects—the maxims and precepts contained in the New Testament. These are considered sacred, and accepted as laws, by all professing Christians. Yet it is scarcely too much to say that not one Christian in a thousand guides or tests his individual conduct by reference to those laws. The standard to which he does refer it, is the custom of his*

*nation, his class, or his religious profession. He has thus, on the one hand, a collection of ethical maxims, which he believes to have been vouchsafe to him by infallible wisdom as rules for his government; and on the other, a set of everyday judgments and practices, which go a certain length with some of those maxims, not so great a length with others, stand in direct opposition to some, and are, on the whole, a compromise between the Christian creed and the interests and suggestions of worldly life. To the first of these standards he give his homage; to the other his real allegiance.”*

Mill wrote these words in 1859. They are true today. CooperationWorks! members recently had the opportunity to listen to Dr. Robert Kurzban of the University of Pennsylvania. Kurzban is an evolutionary psychologist who studies human cooperation. Using people’s willingness to cooperative, he has classified human behavior into three categories. He estimates that 13 percent of the population has the cooperator gene. The largest number of people, 67 percent, are intolerant reciprocators and 20 percent are free riders. Those of us here today have self-selected for the cooperator gene. Our first instinct is to seek personal benefit through mutual action. The intolerant reciprocators will cooperate with the first 13 percent. They will vote for them and will follow them if they believe it will provide them a benefit. They will cease to cooperate if they believe they are being “free ridden.” To maximize the level of cooperation, the intolerant reciprocators must receive feedback on the level of cooperation by others in the group. The highest levels of cooperation are of no importance, the lowest is. Reciprocators want to be just above the lowest level and to avoid being free ridden.

The subjects of Kurzban’s research know they are playing a game. Members of cooperatives think they are playing the same game. Members of cooperatives figure out their self-interest in relationship to what others are planning to do. The winners of the game are the members who most maximized their benefit—which means in Kurzban’s experiments the level of cooperation goes down based on how many rounds are played because people are forming exit strategies. So, too, with group cooperation—the level of cooperation seems to deteriorate over time as several generations play the game and answer the question, “How do I maximize my benefit from this cooperative?”

The breakthrough on Kurzban’s research that supports John Stuart Mill’s observation is that members need to know what other members are doing—and don’t want to be abused by free riders. In playing the game, subjects of

Kurzban's research see the average contribution flashed in a little box on their screen for only a few seconds. They quickly decide what level of cooperation is appropriate for them.

The fear of being taken advantage of by a cooperative member triggers negative emotions and radically decreases interest in cooperating. If a cooperative member believes other members are getting a better deal (do we need to re-think key accounts) they will decrease their level of patronizing the cooperative.

One story to illustrate this point was told to me by a member of a cooperative that purchased grain from its members and made it into pasta. The cooperative was encouraging its members to sell their grain to the local elevator and allow the cooperative to buy grain through a pool in the members' names, reducing shipping costs and allowing unit trains to deliver grain to the processing plant. When the grain available through the pool was less than needed to feed the plant, the cooperative contacted its members again and asked if they could deliver at a price above the local market. One member hauled a truck load of grain to a competitive elevator across the street from his cooperative, took less for the entire truck load, and stopped by the cooperative to show them his check. He told the staff, "If the cooperative didn't want my grain when I wanted to sell it, then you won't get it now!"

The two lessons I have learned by working with groups are: 1) The selection process of leadership in a cooperative is more likely based on emotions than on reason and, as a consequence, the cooperative can be emotionally hijacked; and 2) the feedback loop that counts in a cooperative is what the minimum level of cooperation is and if there are free riders. The size of the crowd at an annual meeting is more important than the message from the general manager. At least members cared enough to come for the free dinner.

I have learned some other things, too. The agriculture economist cannot successfully explain cooperative member behavior by using enlightened self-interest theories alone. The ability of the cooperative developer or project facilitator to lead a group to the formation of a successful operating cooperative is dependent on the time available with the leadership and the competition from other advisors. Emotions and biology are way more important than previously thought.

I have learned another thing, too, and this one may be hard to teach in your classrooms. I have learned to surrender. I have given up on trying to be good enough to control the groups I work with, to manipulate them, to make them do the right things, to make them recognize their true enlightened self-interest. I know quite a bit about my profession as a cooperative developer. I have talked with others who are thoughtful and good at what they do as well. In spite of careful strategies, hard work and dedication, my work is often not enough to reach successful, sustainable human cooperation. I am often faced with despair. My surrender is to the gentle side of my nature that is a peace with what I have done and can do. I have learned to wait for when the time is right—knowing full well that it might not be in my time. I have learned not to get desperate or resort to exaggeration or distortion of the truth. Simple hope is a power by itself and, when shared, can have awesome consequences.

The work you do as cooperative educators is God’s work on earth. It doesn’t matter if at times it doesn’t seem so. It doesn’t matter that your work may seem unimportant to people in powerful positions. I want to close with a story from the Aztec people of Mexico told by Margaret Wheatley in her book *“Turning to One Another.”*

*“It is said by our Grandparents that a long time ago there was a great fire in the forest that covered our earth. People and animals started to run, trying to escape from the fire. Our brother owl, Tecolotl, was running away also when he noticed a small bird hurrying back and forth between the nearest river and the fire. He headed toward this small bird.*

*He noticed that it was our brother the Quetzal bird, Quetzaltototl, running to the river, picking up small drops of water in his beak, then returning to the fire to throw that tiny bit of water on the flame. Owl approached Quetzal bird and yelled at him: “What are you doing brother? Are you stupid? You are not going to achieve anything by doing this. What are you trying to do? You must run for your life!”*

*Quetzal bird stopped for a moment and looked at owl, and then answered: “I am doing the best I can with what I have.”*

*It is remembered by our Grandparents that a long time ago the forests that covered our Earth were saved from a great fire by a small Quetzal bird, an*

*owl, and many other animals and people who got together to put out the flames.”*

Isaiah the prophet once predicted that this was the year of the Lords' favor. In the cooperative world I live in, I think 2005 is the year of the Lord's favor. My home state of North Dakota is beautiful with good rains and fantastic crops. We have healthy, well-educated people and we have enough struggles to keep us in shape. You as educators have a demand for learning that is more needed now than ever before. If we are to save the earth from hatred and violence and economic injustice we need to come together to put out the flames. The Lord is on our side this year. May the best we can do with what we have be enough. I think it will.

Thank you for inviting me.

Books and references mentioned include:

Senge, Peter M. *The Fifth Discipline: The Art and Practice of the Learning Organization*. Currency Doubleday.

Friedman, Thomas L. *The Lexus and the Olive Tree*. Anchor Books/Random House Inc.

Collins, Jim. *Good to Great*. Harper Business.

Goleman, Daniel. *Emotional Intelligence*. Bantam Books.

Wheatley, Margaret J. *Turning to One Another: Simple Conversations to Restore Hope to the Future*. Berrett-Koehler Publishers Inc.

Ebenstein, William. *Great Political Thinkers: Plato to the Present*. Holt, Rinehart and Winston Inc.